

VA



U.S. Department  
of Veterans Affairs



# OFFICE OF RESOLUTION MANAGEMENT

## *END OF YEAR UPDATE*

*December 2012*



**MISSION:** To promote a discrimination-free work environment focused on serving Veterans by preventing, resolving, and processing workplace disputes in a timely and effective manner.

# Pursuing Early Complaint Resolution

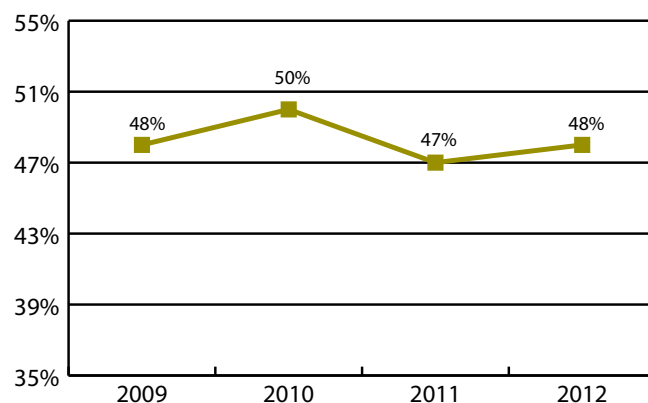
## Why It Makes \$ense

### A Cost Effective Management Tool to Support the Work Environment

In this era of tight budgets, finding ways to identify cost savings is becoming a familiar practice among top VA officials. The Office of Resolution Management (ORM) has embarked on a strategy that can save the Department of Veterans Affairs (VA) hundreds of thousands of dollars a year, contribute to a healthier work environment, and improve workplace productivity. The strategy focuses on resolving workplace disputes and equal employment opportunity (EEO) complaints as early as possible.

The EEO complaint process provides employees and agencies with statutory guidelines and timelines for addressing allegations of discrimination in the workplace. The process is important, but it can be lengthy, with cases often taking seven to eight months before being submitted for a decision. Complaints that aren't resolved quickly and in a way that respects all parties in the dispute can exact a toll on VA's resources. These complaints cost VA millions of dollars a year, drain VA's human capital, and divert staff attention away from their primary responsibilities. By using alternative dispute resolution (ADR) as early as possible, all of these burdens can be significantly reduced. VA is challenged, however, by a troubling trend. Over the last few years VA's resolution rate, the rate at which EEO complaints are resolved early in the complaint process, has stagnated at or below the Department's targeted rate of 50% (See **Chart 1**). In FY 2012, ORM embarked on a series of initiatives aimed at raising the resolution rate, and early results indicate that the strategy is having an effect.

**Chart 1: VA's Resolution Rate**



### The Financial Cost

ORM has estimated that the financial cost to the agency of fully adjudicating an EEO complaint is approximately \$30,000 (see **Table 1**). The tab begins at the initial counseling, or informal stage, but higher costs accrue when the complainant decides to take the complaint formal, where ORM conducts an investigation. The bill increases when the complainant requests a decision, either at a hearing before the Equal Employment Opportunity Commission or at VA's Office of Employment Discrimination Complaint Adjudication.

**Table 1: Average Cost of the EEO Complaint Process**

Stage	Cost
Informal	\$1,000
Formal	\$8,000
Post Investigation	\$8,000
Appeal and Administration	\$13,000
Total	\$30,000

The complaint can be withdrawn at any point in the process, but to avoid 97% of the cost of processing a complaint, it needs to be resolved before it gets to the formal stage. To do this, both parties to the dispute—the employee and the management official—must craft a resolution acceptable to both, which in most cases requires the assistance of a mediator.

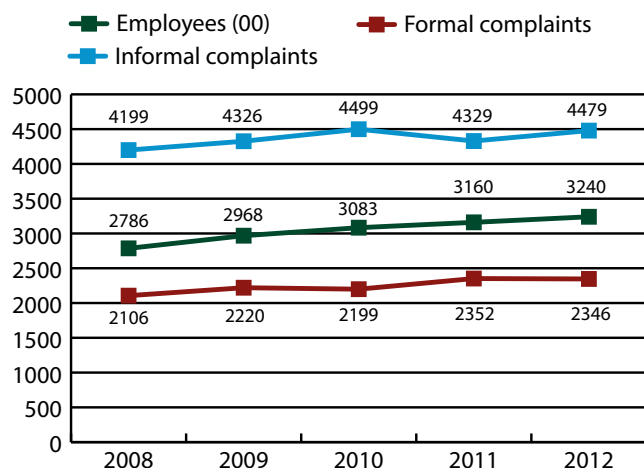
## The Human Capital and Productivity Cost

When unresolved complaints reach the formal stage, a wide array of staff become involved. Witnesses are called, union officials and upper management participate, and regional counsel steps in, requiring time and attention that might otherwise be used to serve Veteran needs more productively. Furthermore, it is only natural for the conflicting parties to discuss the issue with colleagues and friends - attempting to gain approval or support. This can sow discord in the working environment, creating a negative atmosphere that can, in some instances, extend beyond the immediate worksite. The effect on morale and even more so on productivity can be substantial.

## The Rising Number of Complaints

VA has experienced significant employee growth over the last few years. Not surprisingly, this growth has spawned an increase in the number of complaints filed (see **Chart 2**).

**Chart 2: Comparison of Employee and EEO Complaint Growth: 2008-2012**



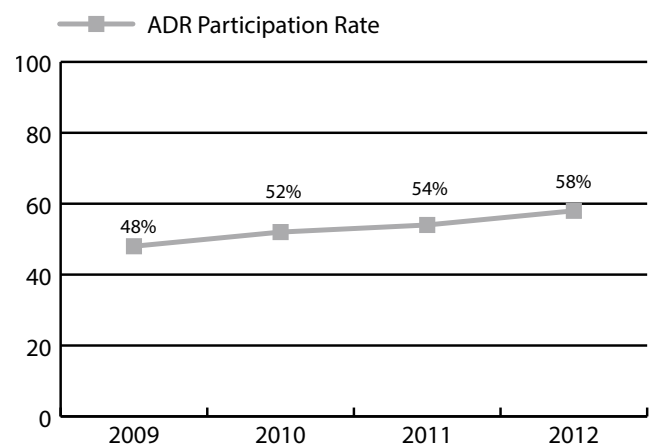
The accelerating pace of change in many parts of VA, and the resulting stress, can also contribute to an increase in complaint filing. As budgets tighten, and VA assumes more responsibilities with America's burgeoning Veteran population, it is more important than ever that complaints be resolved before they reach the formal stage.

## The Resolution Rate

Historically, ORM has worked with employees, management, and human resources staff to resolve complaints early in the process, promoting the use of ADR to resolve EEO complaints in the informal stage. Over the last few years, ORM has increased the availability of its ADR staff by disbursing them around the country, raised the number of mediators, and offered more mediation services and education to VA staff. ORM has also encouraged its EEO counselors to promote mediation during the informal stage as a preferred option in the complaint process. Additionally, ORM has provided three-day training sessions to hundreds of VA's senior leaders on managing conflict and resolving disputes through mediation.

The results of these efforts have been mixed. The ADR participation rate (the rate at which both parties accept ADR as a way to resolve the complaint) has steadily improved (see **Chart 3**), but the most important rate, the resolution rate, has stubbornly hovered around the 50% rate for the last few years. It has now dropped below 50% for the second year in a row (see **Chart 1**).

**Chart 3: VA's Participation Rate 2009-2012**





This has important financial ramifications for the Department as a whole. In 2012, VA's resolution rate rose from 47% to 48% (see **Chart 1**), which translated into 45 fewer cases that went to the formal stage. This represents a maximum potential savings of \$1,350,000 (If all 45 cases had been pursued to the end of the EEO process, it would have cost the agency \$1,350,000). If the cases had remained open to the appeal stage and then had been resolved, they would have cost the agency \$765,000, so the cost savings from that one percent increase in the resolution rate would have been \$585,000 (see **Table 2**).

Table 2: Cost Savings From 1% Change in Resolution Rate	
	2012
Number of Informal Complaints	4,479
Effect of 1% Change in Resolution Rate (# Cases)	45
Cost of No Resolution in EEO Complaints (\$30,000 per Complaint)	\$1,350,000
Savings from Resolving Complaints Before the Appeal Process (\$13,000 per Complaint)	\$585,000

### Action on the Resolution Rate

If progress is not made to increase the resolution rate, VA will have lost an opportunity for significant cost savings, increased productivity, and an improved work environment. In addition, given the increasing size of its workforce, VA will likely be faced with more EEO complaints that it can ill afford. In June, ORM developed a strategy to aggressively tackle this problem. It convened its highest performing EEO counselors to develop best practices to be implemented nationwide. It partnered with facilities with high complaint volume and low resolution rates to develop individualized plans of action. It also assigned additional mediation cases to high performing mediators. With VA Learning University, it developed a virtual learning series designed to encourage a "team-based approach" to address complaints, getting the three positions that

are involved in a complaint - the HR specialists, EEO program managers, and ADR program managers - to work together to resolve complaints. Early results indicate that these changes are working. Of the facilities that participated in this effort, 78% of them now report a higher resolution rate.

Key to the success of this strategy is the active support of facility senior executives. ORM finds that mediation works best when both sides of the negotiation want to resolve the issues at hand and work in good faith to reach an agreement. When management is committed to the process and actively tries to obtain an agreement, the likelihood of early resolution is substantially increased.

Building on this summer's resolution rate strategy, ORM is making improvement on the resolution rate its primary 2013 initiative. Given its financial and human capital impact, small improvements can reap significant rewards for the Department, its employees, and Veterans. ORM is ensuring that all of the participants in the complaint processing system are aware of this focus on resolution. Achieving a resolution rate of 50% is VA's current goal, and it is within reach. An even higher goal, the government-wide average, is 53%, and to reach this goal in the next 3-5 years would be quite an achievement. With the support and active participation of all parties involved in the complaint process, this higher resolution rate can be a reality.

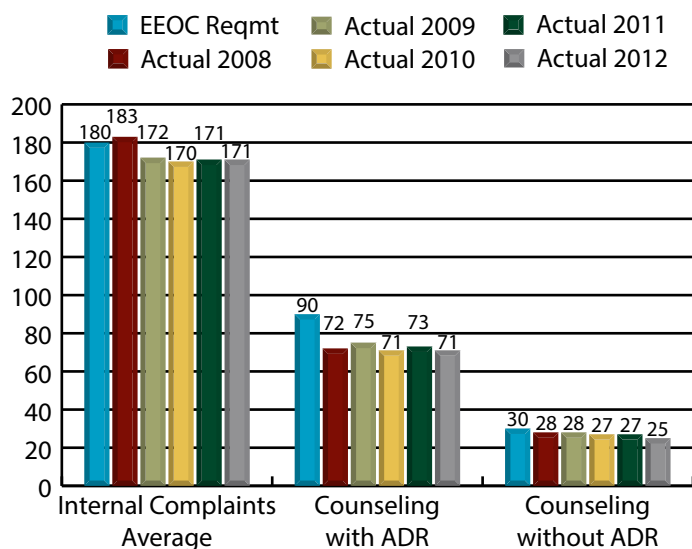
To aid decision makers in improving their resolution rate, ORM offers tools, information, and direct assistance. In a document entitled "Resolution Strategies for Informal EEO Complaints" posted on its website, ORM has detailed a number of strategies and practices designed to help VA promote the early resolution of complaints. ORM's Workplace ADR Program can help VA's Administrations design, implement, and improve their ADR efforts. In addition, two dashboards are now available that provide historical and trend information down to the facility level on EEO cases and ADR activity. The dashboards track current case activity keeping the viewer up-to-date on key performance measures and indicators.

For links to these resources and ORM's website, see the Resource Links section of this document on page 4.

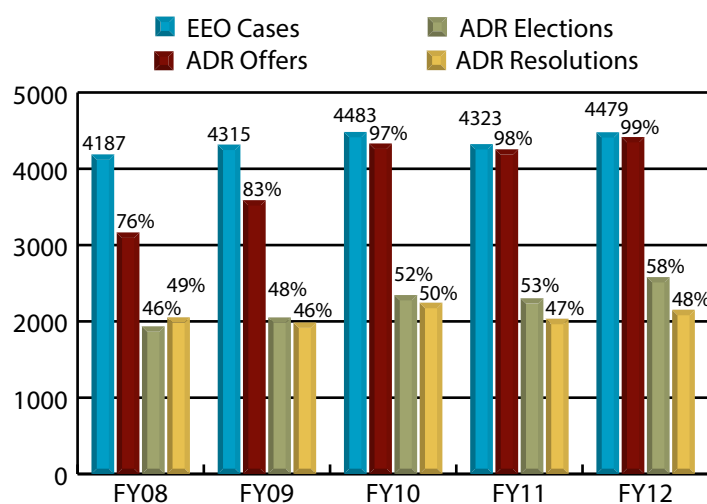
# Office of Resolution Management At A Glance

## 2012 Operating Results

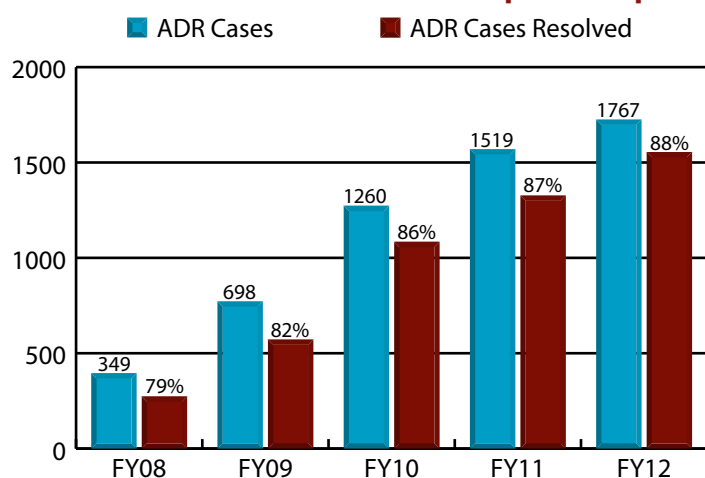
### Processing Times



### ADR Use in the EEO Process



### ADR Used to Address Non-EEO Workplace Disputes



## Resource Links

### ORM Website:

<http://vaww.va.gov/orm>

### Resolution Strategies for Informal EEO Complaints

— A listing of strategies, practices, resources, training opportunities, and useful ideas and options that can be used to maximize early complaint resolution. [http://vaww.va.gov/ORM/docs/Resolution\\_Strategies\\_for\\_Informal\\_EEO\\_Complaints\\_Final.pdf](http://vaww.va.gov/ORM/docs/Resolution_Strategies_for_Informal_EEO_Complaints_Final.pdf)

**ORM Executive Dashboard** — This tool measures complaints during different stages of the complaint cycle. It can monitor the status of active cases as well as measure historical trends and performance standards. Once on the links homepage - <https://vaww.stdp.cdco>.

[va.gov/qlikview/](http://va.gov/qlikview/) - highlight the VACO tab and then click on the link for the ORM Executive Dashboard. For assistance with this dashboard, contact the National Service Desk: (888) 326-6780 or [CDCO-NSD@va.gov](mailto:CDCO-NSD@va.gov).

**EEO, Diversity, and ADR Dashboard** — An overview of EEO and ADR key indicators: EEO complaint information, ADR activity, workforce demographics and settlement agreements. Information is available by VISN, MSN, and Area. For assistance using this dashboard, use the Reference Guide available on the Data Definitions Tab on the website: [http://vhacacweb3.vha.med.va.gov/webm/ORMNew\\_dashboard.aspx](http://vhacacweb3.vha.med.va.gov/webm/ORMNew_dashboard.aspx).

**Trend Data** — An analysis of EEO complaint activity at the informal and formal stage of the complaint process. Information is broken down by administration and by VISN, MSN, and Area. [http://www.va.gov/adr/docs/FY-12\\_CATS\\_and\\_ADR\\_DATA.pdf](http://www.va.gov/adr/docs/FY-12_CATS_and_ADR_DATA.pdf)

**For additional information on these Resource Links, contact ORM's Business Operations at (202) 461-0282**

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Sepulveda, CA; Vancouver, WA (310) 268-3586

**Central Plains Operations:**

Houston, TX; Leavenworth, KS;  
Little Rock, AR (713) 794-7756

**Great Lakes Operations:**

Hines, IL (708) 202-7072

**Northeastern Operations:**

Lyons, NJ; Bedford, MA; Cleveland, OH;  
Murfreesboro, TN; New York, NY (216) 791-2300  
x5513

**Mid-Atlantic Operations:**

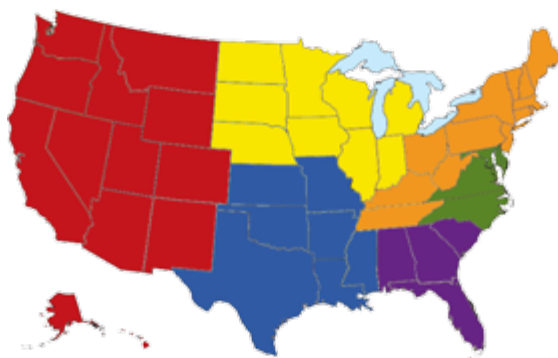
Washington, DC (202) 632-9599

**Southeastern Operations:**

St. Petersburg, FL; Lake City, FL (727) 540-3971

**Dispute Resolution Advisory Workgroup:**

*Manages workplace disputes and EEO complaints involving  
VA Central Office and members of the senior executive service*  
Washington, DC (202) 461-0205



## OUR VISION

*VA is recognized as the leader in promoting a discrimination-free environment  
for those who serve our Nation's Veterans*